



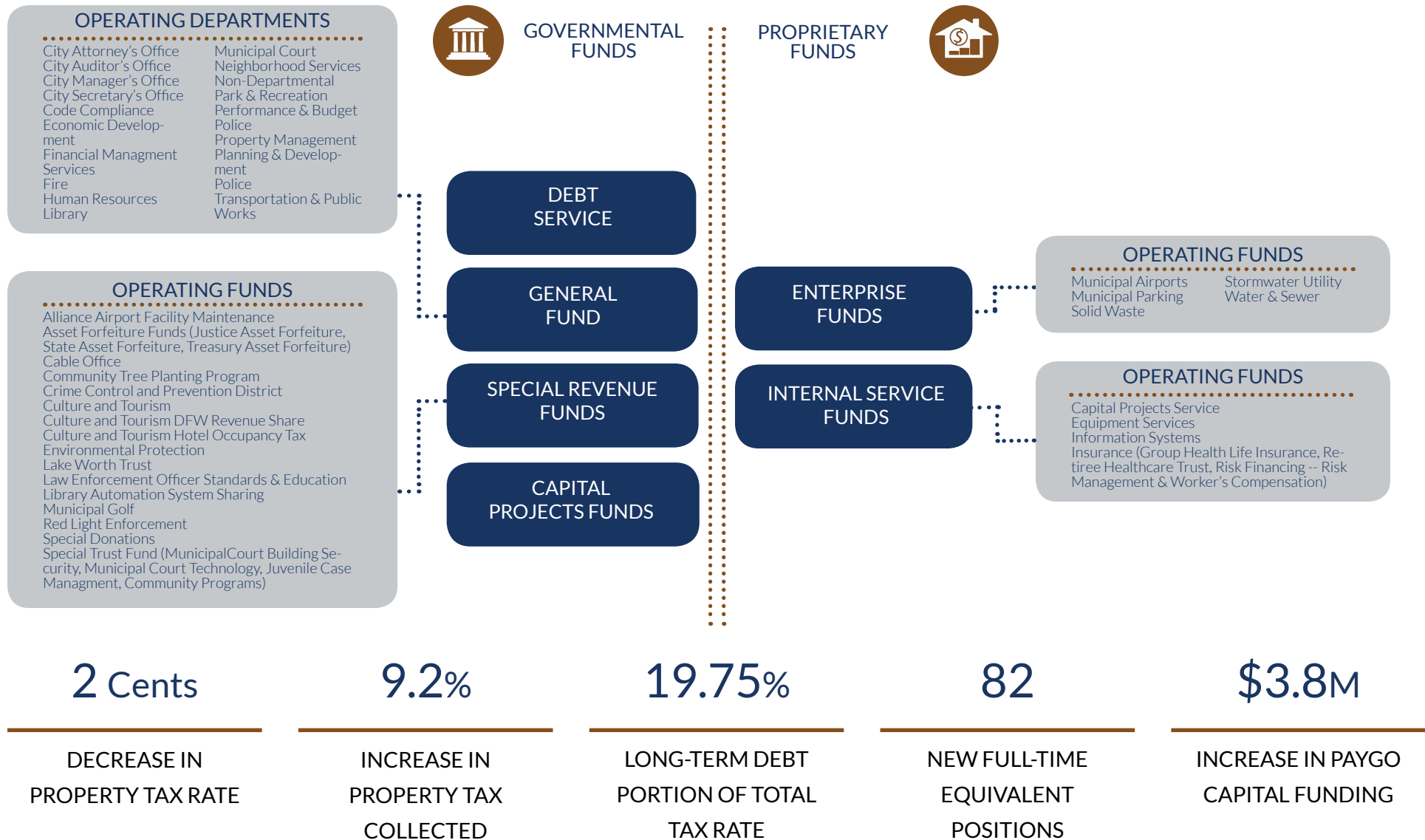
CHAPTER 3

FINANCIAL TRENDS

Population growth and economic trends greatly affect the financial planning process of the City of Fort Worth. City officials must consider this information, as well as local revenue trends, debt capacity, and the capital and operating costs of new facilities when responding to the needs of citizens. Economic expansion and population growth call for detailed fiscal planning to provide new infrastructure and public services.

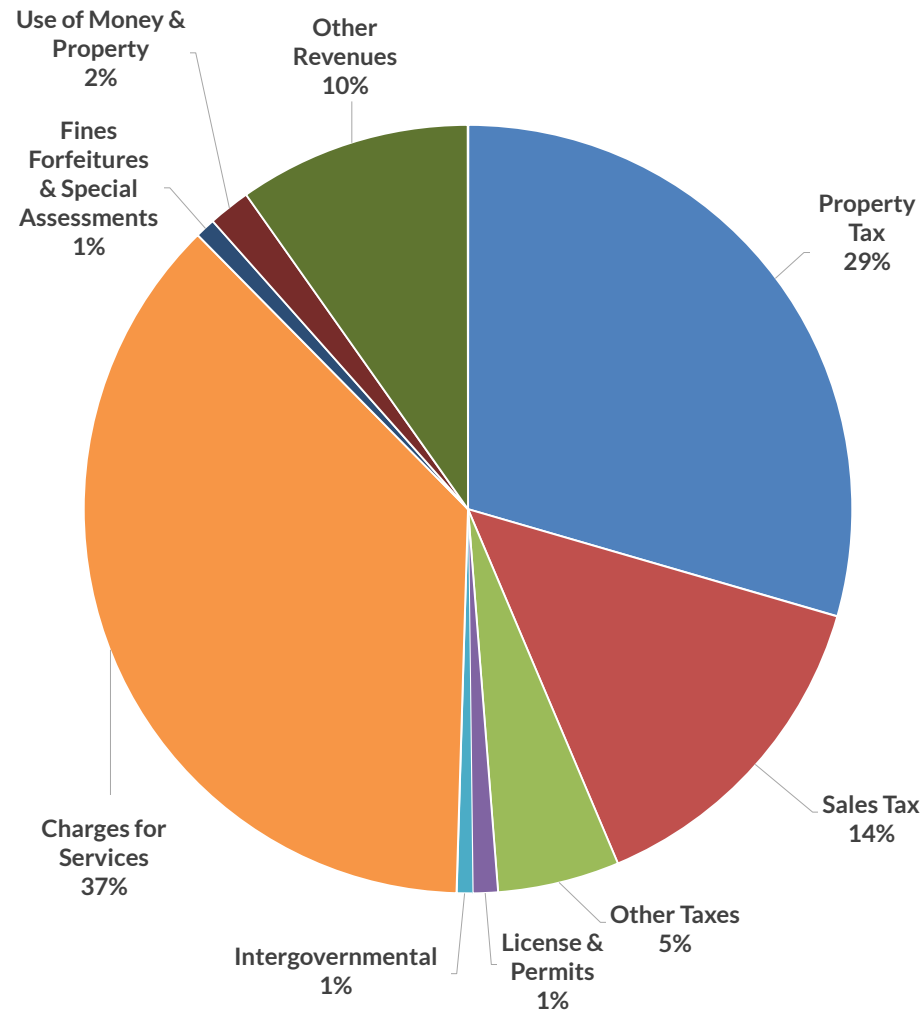
This chapter presents information on financial planning as it applies to a local governmental entity and summarizes past, present, and future financial trends of the City of Fort Worth. The FY2019 Adopted Budget totals just over \$1.9 billion, an increase of 2.15percent over the FY2018 Adopted Budget.

CITY OPERATING FUND STRUCTURE



Source: City of Fort Worth FY2019 Budget

GENERAL FUND REVENUES SOURCES



Source: City of Fort Worth FY2019 Budget

The economic outlook for Fort Worth is encouraging, with both property tax revenue and fee income continuing to grow. Revenue growth enables City staff to implement budget priorities, while also allowing the City to cover overages in General Fund costs while contributing a small amount to the City's fund balance.

PROPERTY TAX

The FY2019 adopted budget lowers the City's property tax rate by 2¢ to \$0.805 per \$100 net taxable valuation.

TOTAL APPRAISED VALUE

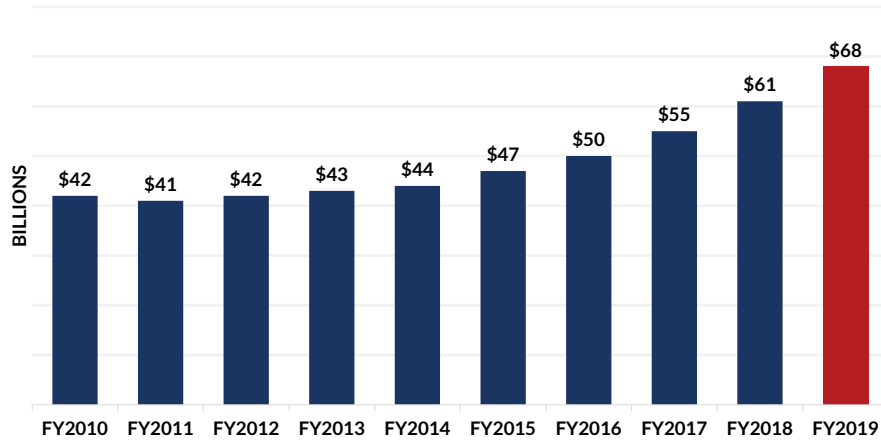
The total appraised value of the City's property tax roll increased \$7.6 billion or 9.2 percent from the July 2017 certified roll to the July 2018 certified roll. As a result of the increase in values, the City is projected to collect \$27.8 million more in General Fund property tax revenue (including delinquent, penalty, and interest) than in FY2018.

SALES TAX

Among large Texas cities, Fort Worth is continuing a positive trend with year-to-date sales tax collections also up 6.5% over the same period last year, which puts Fort Worth's sales tax performance ahead of Houston, Dallas, San Antonio, and El Paso.

According to FY2017 year-end budget projections, sales tax revenue is expected to increase in FY2018 by \$8,578,802 or 5.5 percent. Over the past ten years the City of Fort Worth sales tax collection grew from \$100M in 2010 to the anticipated amount of \$163M in 2019. This represents a 63.3 percent growth over the last ten years.

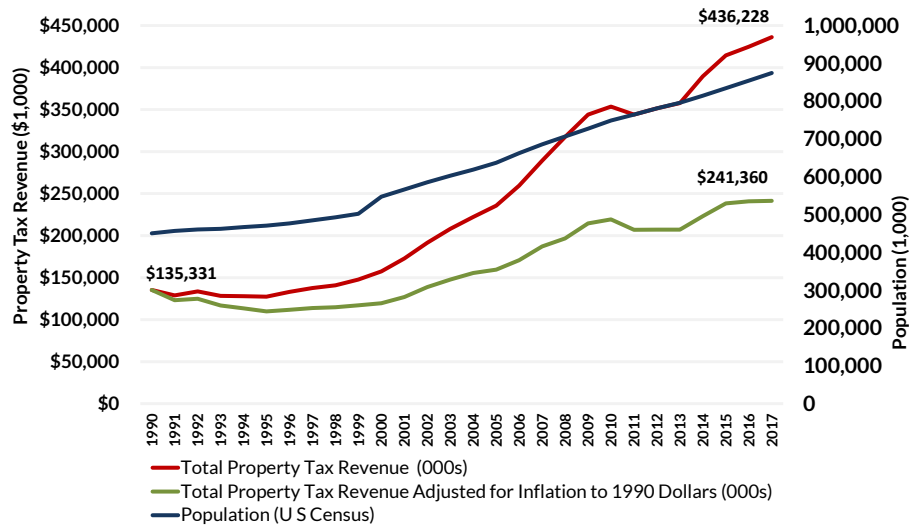
ADJUSTED NET TAXABLE VALUE



Adjusted Net Taxable Value (which is the Net Taxable Value plus the value of incomplete properties and properties under protest), increased \$6.6 billion or 10.9 percent in the same time period across all properties within the City of Fort Worth. Adjusted Net Taxable Value is the basis for the City's property tax revenue calculation.

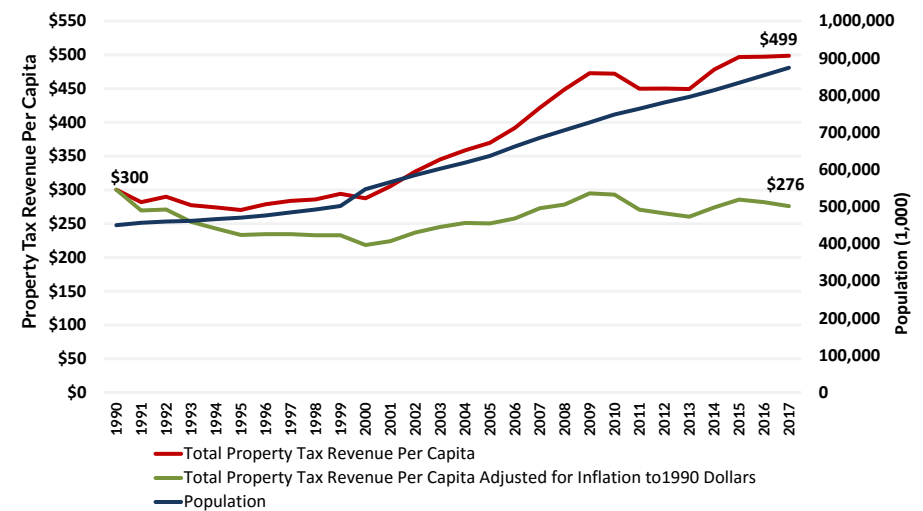
Source: City of Fort Worth FY2019 Budget

CITY PROPERTY TAX REVENUE, 1990 - 2017



Sources: Financial Management Services; U.S. Census Bureau

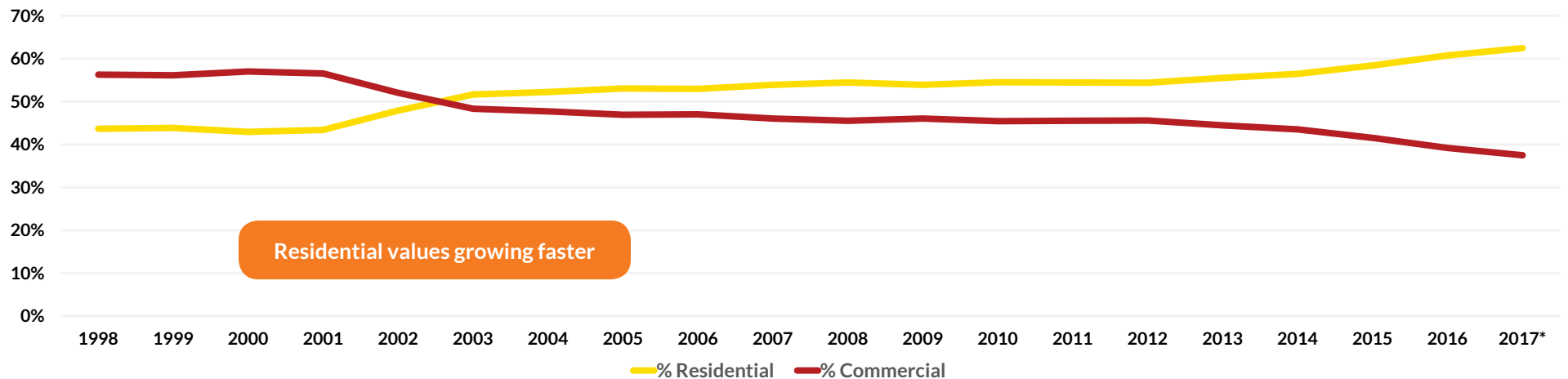
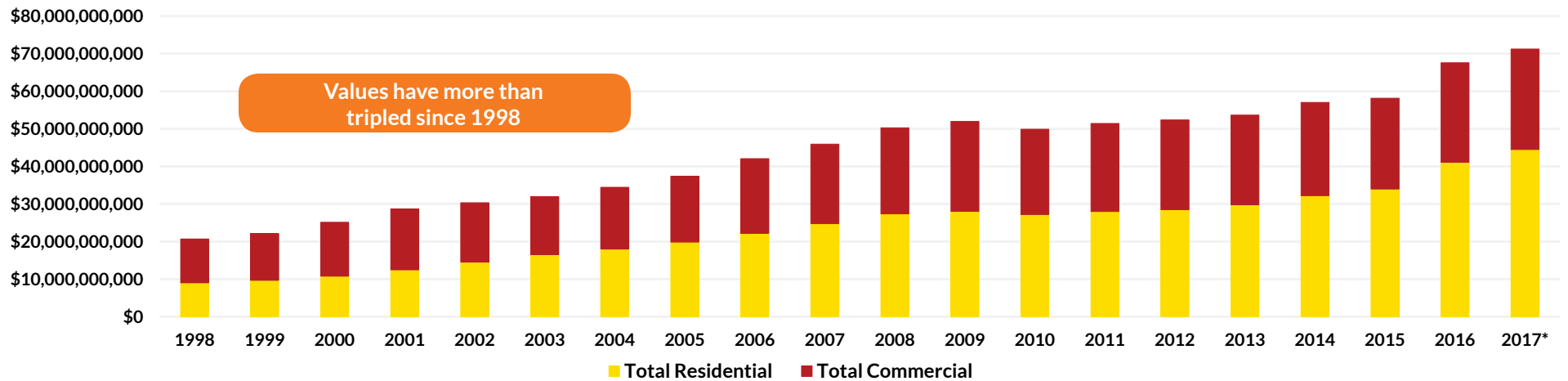
CITY PROPERTY TAX REVENUE PER CAPITA, 1990 - 2017



Sources: Financial Management Services; U.S. Census Bureau

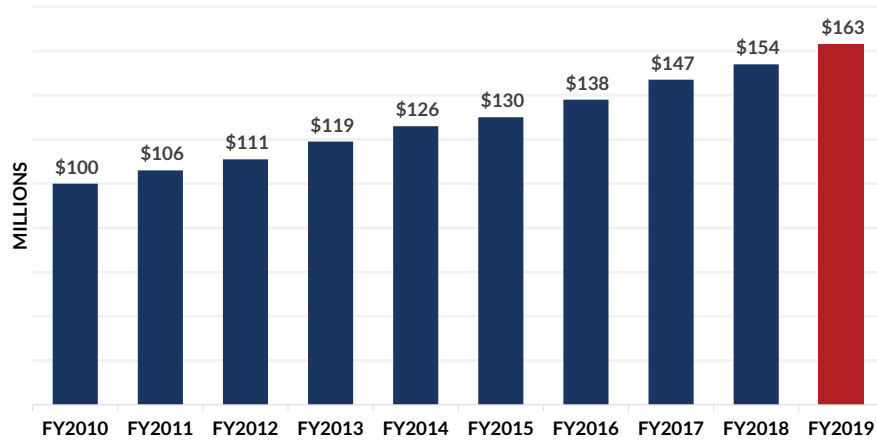
TOTAL MARKET VALUE OF TAXABLE REAL & PERSONAL PROPERTY, 1998 - 2017

While property tax revenue continues to grow, the proportion of total property tax revenue generated by residential properties exceeds that generated by commercial properties -- and the gap has grown in recent years. The City is working to attract commercial development to rebalance the property tax burden and generate jobs.



Source: Property Tax Division at the Texas Comptroller of Public Accounts

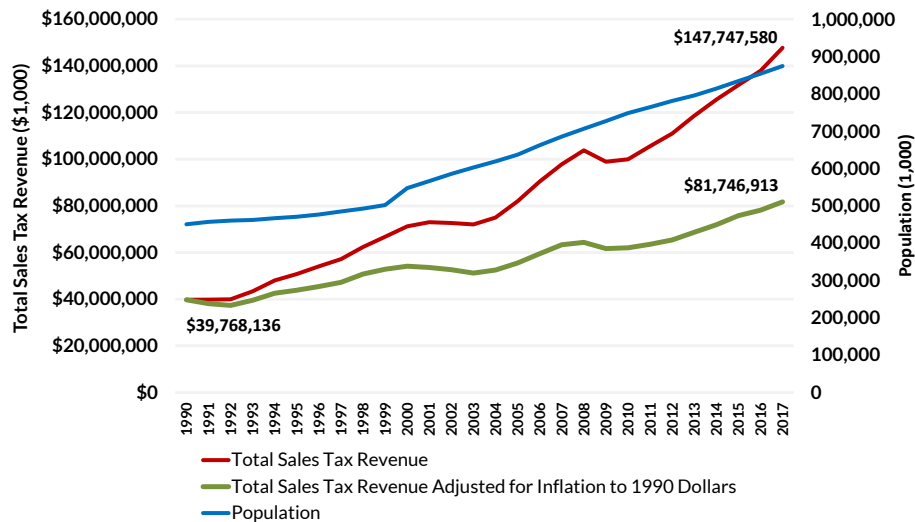
SALES TAX REVENUE GROWTH



Sales tax revenues have steadily increased from 2010. The increases are primarily due to population growth and improving economic conditions demonstrated by actual receipts reported by the State Comptroller's Office. Current data suggest substantial collection growth in retail and wholesale trade will continue to drive the increases.

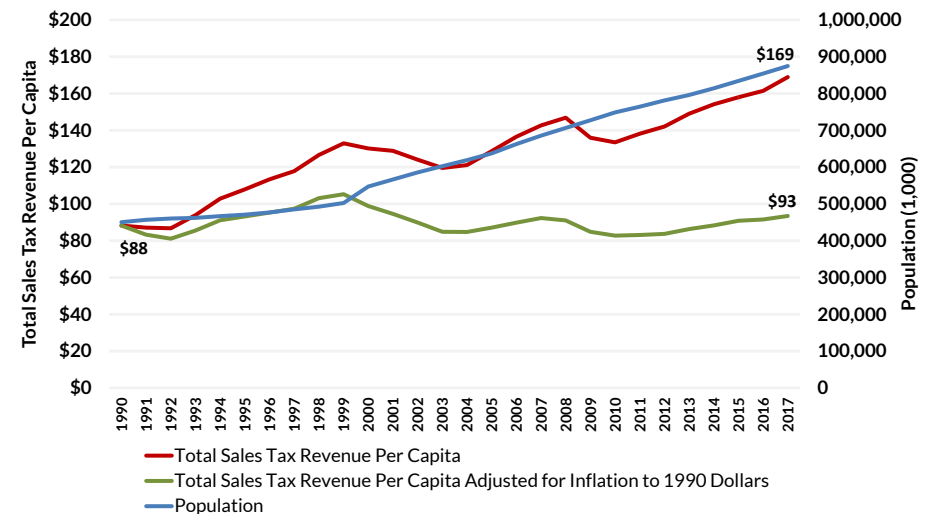
Source: City of Fort Worth FY2019 Budget

CITY SALES TAX REVENUE, 1990 - 2017



Sources: Financial Management Services; U.S. Census Bureau

CITY SALES TAX REVENUE PER CAPITA, 1990 - 2017



Sources: Financial Management Services; U.S. Census Bureau






For FY2019, General Fund expenditures are keeping pace with revenues. However costs are increasing due to a variety of factors, including rising supply and contractual service costs, program and service level improvements, and personnel cost increases.

ADOPTED GENERAL FUND REVENUE BUDGET

FY 2018 ADOPTED	FY 2019 ADOPTED	PERCENT CHANGE	DOLLAR CHANGE
\$678,950,315	\$731,190,452	7.69%	ADJUSTED: \$52,240,137

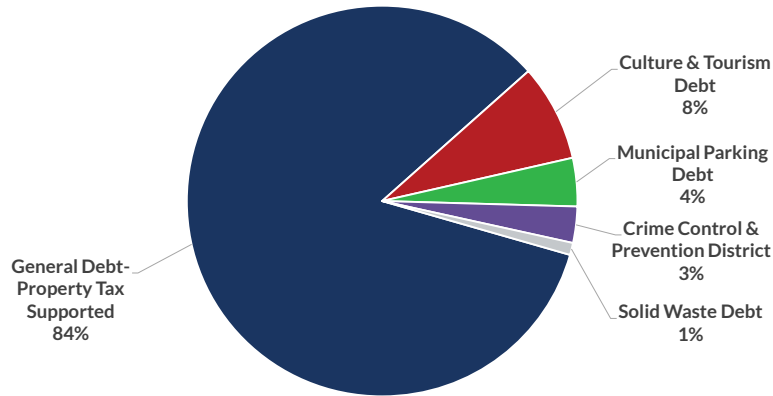
Source: City of Fort Worth FY2019 Budget

BUDGET GROWTH AREAS: FY 2009 - 2019

DEPARTMENT	FY 2009	FY2019	DOLLAR CHANGE	PERCENT CHANGE
POLICE	\$169,584,253	\$253,937,840	\$84,353,587	50% 
FIRE	\$103,562,348	\$150,067,856	\$46,505,508	45% 
ECONOMIC DEVELOPMENT	\$7,202,892	\$22,451,862	\$15,248,970	212% 
INTERNAL AUDIT	\$1,187,162	\$1,954,923	\$767,761	65% 
CITY SECRETARY	\$1,022,442	\$1,631,478	\$609,036	60% 

Source: City of Fort Worth FY2019 Budget

TAX RATE ALLOCATION, 1990 - 2019

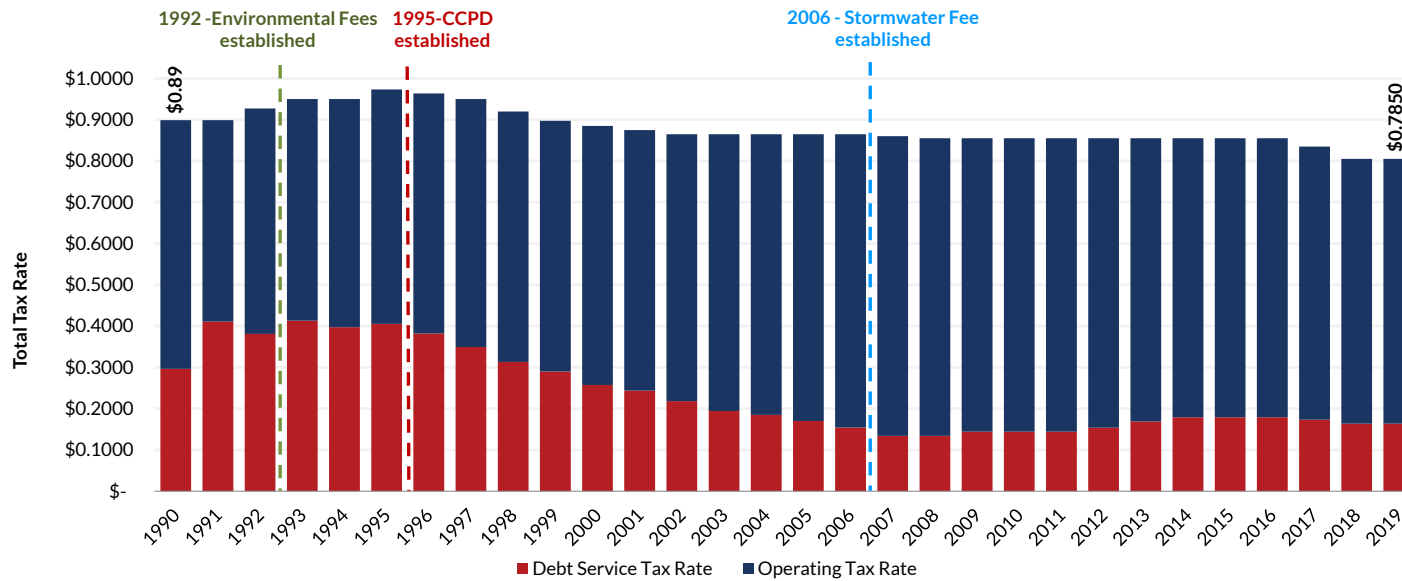


Of the total revenue amount projected for FY2019, \$114,538,322 is budgeted to cover debt service on general obligation bonds, certificates of obligation, loans, and tax notes.

PROJECTED REVENUES TO COVER DEBT SERVICE

CURRENT PROPERTY TAX LEVY	\$ 97,425,882
OTHER REVENUE (INCLUDING EXISTING FUND BALANCE)	\$ 6,942,863
TOTAL	\$ 104,368,745

Source: City of Fort Worth FY2019 Budget



State property tax law allows the City to levy a property tax to pay for its long-term (over 1 year) debt obligations. With a tax rate of \$0.7850 per \$100 in value for the current fiscal year, \$0.1635 (20.3%) of the total tax rate is devoted to pay long-term debt service obligations.

Source: City of Fort Worth FY2019 Budget